

Message Text

CONFIDENTIAL

PAGE 01 STATE 074624

71

ORIGIN NEA-12

INFO OCT-01 EUR-25 ISO-00 FEA-02 EB-11 AEC-11 AID-20

CEA-02 CIAE-00 CIEP-02 COME-00 DODE-00 FPC-01 H-03

INR-10 INT-08 L-03 NSAE-00 NSC-07 OMB-01 PM-07 RSC-01

SAM-01 SCI-06 SP-03 SS-20 STR-08 TRSE-00 PA-04

USIA-15 PRS-01 /185 R

DRAFTED BY NEA/ARP:FMDICKMAN:CEJ

APPROVED BY NEA:ALATHERTON

FEO - MR. WILHELM

EB/FSE - MR. BENNSKY

----- 051961

P 120105Z APR 74

FM SECSTATE WASHDC

TO AMEMBASSY JIDDA PRIORITY

INFO AMEMBASSY LONDON PRIORITY

C O N F I D E N T I A L STATE 074624

E.O. 11652: GDS

TAGS: ENRG, SA, US

SUBJECT: US DATA ON SAUDI VIOLATION OF OIL EMBARGO

REF: JIDDA 1878

1. FEDERAL ENERGY OFFICE ON APRIL 11 ISSUED CLARIFYING STATEMENT REGARDING REPORTS WHICH APPEARED IN US PAPERS ON APRIL 10 WHICH IMPLIED THAT SAUDI ARABIA HAD VIOLATED ARAB OIL BOYCOTT.

2. THESE REPORTS WERE BASED ON INFORMATION CONTAINED IN APRIL 8 RELEASE BY DEPT OF COMMERCE OF OIL IMPORT STATISTICS WHICH SHOWED OIL IMPORTS FROM SAUDI ARABIA AS: 18,017,444 BARRELS IN NOVEMBER, 7,071,357 BARRELS IN DECEMBER, 257,187 BARRELS IN JANUARY AND 552,212 BARRELS IN FEBRUARY. PRESS REPORT CONCLUDED THAT IMPORT FIGURES
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 074624

INDICATED SAUDI OIL HAD "LEAKED" TO US.

3. BEGIN TEXT: FEO ADMINISTRATOR WILLIAM E. SIMON TODAY CLARIFIED REPORTS THAT OIL HAD "LEAKED" INTO THE US FROM SAUDI ARABIA AND OTHER ARAB SOURCES DURING THE RECENT OIL EMBARGO.

BECAUSE OF THE TIME IT TAKES TO SHIP OIL FROM THE PERSIAN GULF TO THE US, SIMON OBSERVED THAT IT IS REASONABLE TO PRESUME THAT THE OIL ARRIVING IN THE US IN NOVEMBER AND DECEMBER WAS LOADED PRIOR TO THE MID-OCTOBER EMBARGO AND

THEREFORE DOES NOT CONSTITUTE A "LEAK."

SIMON SAID THAT ACTING SECRETARY (OF COMMERCE) TABOR HAD CONFIRMED THAT THE AMOUNT OF SAUDI ARABIAN OIL ARRIVING IN THE UNITED STATES IN 1974 AVERAGED LESS THAN 20,000 BARRELS PER DAY AND THAT THE LANDED PRICE OF THE FEBRUARY OIL AVERAGED THREE DOLLARS AND 58 CENTS PER BARREL.

SIMON STATED, THIS PRICE INDICATES THAT THE FEBRUARY OIL WAS SHIPPED FROM THE PERSIAN GULF PRIOR TO OCTOBER 16, 1973 WHEN THE POSTED PRICE WAS RAISED TO FIVE DOLLARS AND TWELVE CENTS PER BARREL. THE ARRIVAL OF THIS OIL IN 1974 IS DUE TO THE FACT OF ITS HAVING BEEN HELD IN STORAGE IN A POINT OUTSIDE THE US, SIMON CONCLUDED. END TEXT.

4. YOU SHOULD GIVE TO MAS'UD TEXT OF SIMON'S STATEMENT INDICATING THAT WE BELIEVE THIS ADEQUATELY CLARIFIES OUR INTERPRETATION OF IMPORT STATISTICS. YOU MAY INFORM MAS'UD THAT RELEASE OF STATISTICS WAS INTENDED TO MEET PUBLIC REQUEST AND NOT IN ANY WAY INTENDED TO EMBARRASS SAG. YOU MAY ALSO TELL MAS'UD THAT FEO WILL SHORTLY BE ISSUING FACTUAL DATA WHICH WILL SHOW THAT ARRIVALS OF SAUDI OIL FROM JANUARY AND FEBRUARY WERE LOADED PRIOR TO OCTOBER 16, 1973. KISSINGER

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM, PRESS COMMENTS, DATA, EMBARGOES, FOREIGN POLICY POSITION
Control Number: n/a
Copy: SINGLE
Draft Date: 12 APR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GarlanWA
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE074624
Document Source: CORE
Document Unique ID: 00
Drafter: FMDICKMAN:CEJ
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740084-0643
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740445/aaaabopa.tel
Line Count: 96
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: JIDDA 1878
Review Action: RELEASED, APPROVED
Review Authority: GarlanWA
Review Comment: n/a
Review Content Flags:
Review Date: 24 JUN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <24 JUN 2002 by elyme>; APPROVED <27 MAR 2003 by GarlanWA>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: US DATA ON SAUDI VIOLATION OF OIL EMBARGO
TAGS: ENRG, SA, US
To: JIDDA
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005